

REFERENCE TITLE: school districts; annual financial reports

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

## **HB 2370**

Introduced by  
Representatives Crandall, Boone, Sinema, Tobin: Adams, Anderson, Crump,  
Garcia M, Konopnicki, Lujan

AN ACT

AMENDING SECTION 15-904, ARIZONA REVISED STATUTES; RELATING TO SCHOOL  
FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-904, Arizona Revised Statutes, is amended to  
3 read:

4 15-904. School district annual financial report: publication:  
5 summary

6 A. The governing board of each school district shall publish an annual  
7 financial report ~~on a school by school basis~~ for the prior fiscal year by  
8 November 15. The auditor general in conjunction with the department of  
9 education shall prescribe the format of the financial report to be used by  
10 school districts. The financial report shall contain budgeted and actual  
11 expenditures for the preceding fiscal year and shall be prepared and  
12 distributed by October 15 by the school district with a copy to the county  
13 school superintendent. A copy of the annual financial report shall be  
14 submitted electronically by the school district to the superintendent of  
15 public instruction by October 15. The annual financial report shall be  
16 approved by the county school superintendent in an electronic procedure as  
17 prescribed by the department of education. School districts that are subject  
18 to section 15-914.01 are not required to send a copy to the county school  
19 superintendent.

20 B. In addition to the information required in subsection A of this  
21 section, the annual financial report shall contain detailed information on  
22 the school district budgeted and actual expenditures from the bond building  
23 fund, the soft capital allocation fund, the deficiencies correction fund, the  
24 building renewal fund and the new school facilities fund, including but not  
25 limited to information on classified salaries, employee benefits, interest  
26 and fiscal charges, capital lease agreements, land and improvements,  
27 buildings and improvements, furniture and equipment, technology and vehicles  
28 and transportation equipment for pupils. The information shall specify  
29 whether the expenditures are for school district renovation or for new  
30 construction, the cost per square foot, and land acquisition costs, as  
31 appropriate. Beginning with fiscal year 2006-2007, school districts shall  
32 report ~~by individual schools~~ annual expenditures for maintenance and  
33 operations, unrestricted capital outlay, soft capital, deficiencies  
34 correction and building renewal.

35 C. Except as provided in subsection D of this section, the governing  
36 board shall publish, by November 15, the annual financial report for the  
37 school district in a newspaper of general circulation within the school  
38 district or in the official newspaper of the county as defined in section  
39 11-255 or the governing board may mail the annual financial report for the  
40 school district to each household in the school district. If the governing  
41 board chooses to publish the report in a newspaper, the size of the newspaper  
42 print shall be at least eight-point type. The cost of publication or mailing  
43 shall be a charge against the school district. The publisher's affidavit of  
44 publication shall be filed by the governing board of the school district with

1 the superintendent of public instruction within thirty days after  
2 publication.

3 D. The governing board may publish or mail a summary of the annual  
4 financial report in the same manner as provided in subsection C of this  
5 section. The auditor general in conjunction with the department of education  
6 shall prescribe the form of the summary of the annual financial report for  
7 use by the governing boards.

8 E. The superintendent of public instruction shall compile the  
9 financial reports of the school districts ~~on a school by school basis,~~  
10 including ~~school by school~~ expenditure data for federal and state projects,  
11 and shall report to the governor and the legislature on or before January 15  
12 of each year as provided in section 15-255.